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NEWS RELEASE

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Thomas A. Perry, Jr. waived indictment and pled guilty today to a two-count criminal information charging him with one count of conspiracy to pay illegal gratuities, and one count of payment of illegal gratuities. The sentencing has been set for January 11, 2006.

Thomas A. Perry, Jr., age 44, of Virginia Beach, Virginia, is the owner and president of Air Cargo Expeditors Inc. located in Virginia Beach, which provides commercial carrier services for the movement of government freight in accordance with Defense Transportation Regulations.

The criminal information alleges that from 1999 and continuing to October 2004, Perry provided numerous items of value to federal and contractor employees in exchange for the awarding of government shipping contracts by circumventing government transportation regulations. The employees acting on behalf of the United States government were employed at the Fleet and Industrial Supply Center Detachment at the Norfolk Naval Shipyard and the Space and Naval Warfare Systems Center Charleston Detachment at St. Juliens Creek.

The items of value consisted of, among other things, lunches and dinners at various restaurants in the Hampton Roads area, an open tab at a delicatessen in Portsmouth, Virginia, airline tickets, concert tickets, NASCAR race tickets, hotel room charges, sports memorabilia, and a jacuzzi.

To date four individuals have entered guilty pleas in this ongoing procurement fraud and corruption investigation.

Mr. McNulty stated: "Combating procurement fraud is a top priority of our office and why we recently established a Procurement Fraud Working Group in this region. Those who seek to gain personally at the expense of the public trust, will be held accountable for their criminal conduct."

The investigation was conducted by the Naval Criminal Investigative Services, Defense Criminal Investigative Service, and the Federal Bureau of Investigation. Audit assistance was provided by the Defense Contract Audit Agency. Assistant United States Attorney Robert J. Seidel, Jr. is the prosecutor in this case.

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